

## Message Text

CONFIDENTIAL

PAGE 01 MANAGU 03469 01 OF 02 181757Z

45

ACTION ARA-20

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

COME-00 EB-11 LAB-06 SIL-01 AID-20 PC-04 IO-13 OMB-01

OPR-02 SY-10 CU-04 TRSE-00 NIC-01 RSR-01 /163 W

----- 123968

R 181500Z AUG 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 2250

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 MANAGUA 3469

USCINCSO FOR POLAD

E. O. 11652: GDS

TAGS: PINT, ELAB, NU

SUBJECT: PLETHORA OF STRIKES

REF: MANAGUA 3414 AND PREVIOUS

1. BEGIN SUMMARY: AS OF AUGUST 13 THERE WERE SOME EIGHT DIFFERENT STRIKES IN MANAGUA; ALL BUT TWO IN TEXTILE PLANTS. DURING THE COURSE OF THE WEEK MANAGEMENT GOT MOST OF THE WORKERS BACK ON THE JOB, DEMONSTRATING IN SOME INSTANCES THE GENERAL WEAKNESS OF ORGANIZED LABOR IN NICARAGUA IN THE FACE OF CONCERTED MANAGEMENT RESISTANCE. WITH THE PRESS OF INFLATION AND CONTINUED WAGE DEMANDS, MORE STRIKES APPEAR INEVITABLE, BUT THERE ARE SIGNS THAT PRIVATE ENTERPRISE IS INCREASINGLY WILLING TO MEET LABOR PART OF THE WAY. END SUMMARY.

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PAGE 02 MANAGU 03469 01 OF 02 181757Z

2. STRIKE BEDLAM - THE LABOR SCENE IN MANAGUA HAS

SINCE AUGUST 13 BEEN A CONFUSING MIX OF SEVERAL DECLARED STRIKES, EFFORTS TO NEGOTIATE AND CONFLICTING REPORTS THAT WORKERS HAVE RETURNED TO WORK. MANAGEMENT, LABOR AND TO SOME EXTENT THE LABOR MINISTRY HAVE ALL JOINED IN A NUMBERS GAME, ISSUING VARIED ESTIMATES OF HOW MANY WORKERS AT EACH OF THE AFFECTED PLANTS ARE ON STRIKE. DEPENDING ON WHICH INTERESTED PARTY IS EXPOUNDING, OPTIONAL CONCLUSIONS HAVE BEEN (1) THERE ARE NO STRIKES; (2) THERE ARE A FEW STRIKES BUT NEGOTIATIONS ARE WELL UNDERWAY WITH THE END IN SIGHT; OR (3) THE ENTIRE TEXTILE INDUSTRY IS PARALYZED AND STRIKES IN OTHER INDUSTRIAL PLANTS ARE SOON TO COME. TO THE BEST OF OUR KNOWLEDGE, THE FOLLOWING IS THE SITUATION PREVAILING ON AUGUST 17:

A. FABRITEX -- NOW INTO ITS THIRD WEEK, THE FABRITEX STRIKE BEGAN OVER WORKER COMPLAINTS ABOUT A FELLOW EMPLOYEE. WHAT SEEMS A MINOR DISPUTE ESCALATED UNTIL IT RESULTED IN SOME 60 MEN, INCLUDING UNION LEADERS, BEING FIRED. THERE WAS A PARTIAL WALKOUT JULY 27-28 AND THE STRIKE BECAME GENERALIZED ON JULY 30. WAGE INCREASES (AT LATEST REPORT 60 PERCENT) WERE SOON ADDED TO WORKER DEMANDS THAT THOSE DISCHARGED BE REINSTATED. WORK AT FABRITEX IS COMPLETELY STOPPED WITH SERIOUS NEGOTIATIONS STALEMATED. MEANWHILE, CONTRARY TO THE LABOR MINISTER'S ADVICE, CIVIL AND CRIMINAL CHARGES ARE BEING PRESSED AGAINST LEADERS OF THE STRIKE FOR ILLEGALLY TAKING POSSESSION OF THE PLANT AND ALLEGEDLY HOLDING PERSONS AGAINST THEIR WILL. THE CASE IS NOW IN THE COURTS AND PROSPECTS FOR AN EARLY SETTLEMENT OF THE STRIKE ARE DIM.

B. METASA -- THE MOMENTUM OF THE WEEK-LONG STRIKE AT METASA HAS BEEN BADLY WEAKENED SINCE A MAJORITY OF THE STRIKING WORKERS HAVE RETURNED TO THE JOB. MANAGEMENT INSISTS ON FIRING LEADERS OF THE STRIKE AND PUSHING FOR ABOLITION OF THE LEGAL STATUS OF THE PRESENT UNION FOR VIOLATING THE COLLECTIVE BARGAINING AGREEMENT SIGNED ONLY 2 MONTHS BEFORE. ALTHOUGH METASA MAY LATER MAKE SOME CONCESSIONS TO THEIR WORKERS, IT APPEARS THE METASA UNION AS PREVIOUSLY ORGANIZED WILL BE BROKEN, WITH THE PRESENT UNION LEADERSHIP BEING FIRED. THE  
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PAGE 03 MANAGU 03469 01 OF 02 181757Z

SOCIAL CHRISTIAN CONFEDERATION (CTN) HAS BEEN INVOLVED WITH THE METASA UNION, BUT APPARENTLY THOSE NOW LEADING THE UNION AND THE PRINCIPAL ADVOCATES OF THE STRIKE ARE COMMUNIST ORIENTED.

C. VENUS, NICARAO AND HILA NICA TEXTILE FACTORIES -- BEGINNING AUGUST 13, THESE THREE TEXTILE STRIKES AND TWO OTHERS (SEE BELOW) WERE ORIGINALLY BILLED

AS SYMPATHY STRIKES FOR FABRITEX BUT THE UNIONS HAVE SINCE FORMULATED DEMANDS FOR WAGE INCREASES AND OTHER BENEFITS. ON AUGUST 16, VENUS, NICARO AND HILA NICA MANAGEMENT AND UNION REPRESENTATIVES ACCOMPANIED BY SOCIAL CHRISTAIN (PSC) LEGAL ADVISORS HELD INCONCLUSIVE TALKS IN THE LABOR MINISTER'S OFFICE. ALMOST ALL 400 EMPLOYEES AT NICARAO, THE LARGEST FACTORY OF THE THREE, HAVE RETURNED TO WORK WITH MANAGEMENT REPORTEDLY PROMISING SOME CONCESSIONS. THE STRIKE AT HILA NICA IS EXPECTED TO BE BROKEN IN SIMILAR FASHION. EMPLOYEES AT VENUS ARE INCREASINGLY ABANDONING THE WALKOUT, AND THE LABOR MINISTER INDICATED THAT A SETTLEMENT IS EXPECTED AUGUST 18 WHICH WILL ALLOW MANAGEMENT TO FIRE SEVERAL STRIKE LEADERS.

D. PROSAN AND NOMAR TEXTILE FACTORIES -- ALTHOUGH WORKERS AT THESE PLANTS HAD ALSO DECLARED A STRIKE AUGUST 13, THEY WERE BACK ON THE JOB THE SAME DAY. IN THESE CASES MANAGEMENT IMMEDIATELY UNDERTOOK TO NEGOTIATE DIFFERENCES AND AGREEMENTS ARE EXPECTED SHORTLY. PROSAN HAS APPROXIMATELY 200 EMPLOYEES; NOMAR 70.

3. SIEMENS -- LASTING ONLY A FEW DAYS, THIS DISPUTE APPEARS SETTLED. THE COMPANY HAS RECEIVED AUTHORIZATION FOR A WAGE INCREASE FROM THEIR HOME OFFICE IN GERMANY, ALTHOUGH A 25 PERCENT INCREASE IS PROBABLE RATHER THAN THE 100 PERCENT RAISE DEMANDED. STRIKING WORKERS RETURNED TO THE JOB AUGUST 14 AFTER WALKING OUT AUGUST 9. THERE WAS NO UNION AT SIEMENS, BUT THE WORKERS ARE PETITIONING TO ORGANIZE ONE.  
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PAGE 01 MANAGU 03469 02 OF 02 181747Z

41

ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 PC-04 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 COME-00 EB-11 LAB-06 SIL-01 IO-13 OMB-01

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C O N F I D E N T I A L SECTION 2 OF 2 MANAGUA 3469

USCINCSO FOR POLAD

3. COMMUNIST ROLE -- THE COMMUNIST CONTROLLED CONFEDERATION GENERAL DE TRABAJADORES - INDEPENDIENTE (CGT-I) HAS ANNOUNCED ITS SOLIDARITY WITH THE METASA AND FABRITEX STRIKES AND ITS ACTIVISTS HAVE BEEN IN THE FIELD STIRRING UP SUPPORT FOR THEM. THREE MEMBERS OF THE COMMUNIST CONTROLLED AND CGT-I AFFILIATED CONSTRUCTION WORKERS UNION (SCAAS) INVOLVED IN THESE ACTIVITIES WERE DETAINED BY THE NATIONAL GUARD BUT LATER RELEASED. THE "COORDINATING COMMITTEE FOR STRIKE SOLIDARITY" (MANAGUA 3376) IS SPONSORED BY CGT-I AND OTHER COMMUNIST FRONT GROUPS. THE COMMITTEE'S EFFECTIVENESS, HOWEVER, HAS SO FAR BEEN MINIMAL.

4. SOCIAL CHRISTIAN ROLE -- THE SOMOZA-OWNED NOVEDADES AND SEVERAL RADIO STATIONS HAVE MADE MUCH OF THE "SINISTER" HAND OF SOCIAL CHRISTIANS IN PROVOKING THE TEXTILE STRIKES, DIRECTING PARTICULAR VENOM AT THE PSC PARTY PRESIDENT, CONFIDENTIAL

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PAGE 02 MANAGU 03469 02 OF 02 181747Z

THE "OBESE LAWYER" MANOLO MORALES. THE LABOR MINISTER SAYS THE SOCIAL CHRISTIANS ARE INTRACTABLE AND IMPOSSIBLE TO DEAL WITH. AS NOTED ABOVE, AT LEAST FOUR PSC LAWYERS (INCLUDING MORALES) HAVE BEEN ACTING AS ADVISORS TO THE THREE SMALLER TEXTILE UNIONS.

5. UNIVERSITY STUDENT RELEASED -- ON AUGUST 15 THE GON RELEASED MIRIAM RUBI, THE UNIVERSITY STUDENT SENTENCED TO SIX MONTHS FOR AIDING THE FABRITEX STRIKE, THEREBY ELIMINATING A POSSIBLE POINT OF FOCUS FOR SUPPORT OF THE STRIKES. THERE HAD BEEN INCREASING CRITICISM, ESPECIALLY IN LABOR CIRCLES, AGAINST SUCH A HARSH SENTENCE FOR A WOMAN. A PUBLIC APPEAL TO GENERAL SOMOZA BY HER FATHER, A LIBERAL PARTY STALWART AND GON EMPLOYEE, UNDOUBTEDLY HELPED TO SPRING MISS RUBI WHOSE GRANDFATHER, IT DEVELOPS, WAS A COLONEL IN THE 1926 LIBERAL REVOLUTION.

6. OTHER STRIKES THREATEN -- THE COMMUNIST DOMINATED

CHAUFFEURS' UNION IN MANAGUA WHICH REPRESENTS BUS AND TAXI DRIVERS HAS COMPLAINED TO THE LABOR MINISTRY OVER THE LONG HOURS WORKED BY BUS DRIVERS AND THREATENED TO GO OUT ON STRIKE AUGUST 18. THE CHAUFFEURS ARE ALSO CONCERNED OVER AN IMMINENT INCREASE IN THE PRICE OF GASOLINE. ROAD CONSTRUCTION EMPLOYEES OF THE MINISTRY OF PUBLIC WORKS AND EMPLOYEES AT MANAGUA'S BAKERIES ARE ALSO THREATENING A WALKOUT IF SALARIES ARE NOT RAISED. THE TEACHERS ARE ALSO GRUMBLING AND WILL LIKELY BE FORMULATING WAGE DEMANDS FOR THE MINISTRY OF EDUCATION IN THE NEAR FUTURE.

7. LABOR INITIATIVES -- DESPITE THE HEADLINE GRABBING STRIKES AND PROSPECTIVE STRIKES, THERE HAVE BEEN SOME NOTABLE EXAMPLES OF LABOR -MANAGEMENT COOPERATION. AS NOTED ABOVE, SIEMENS, PROSAN AND NOMAR WERE QUICK TO ENTER INTO NEGOTIATIONS FOR SETTLEMENTS. IN SEVERAL RECENT CASES COMPANIES HAVE GONE FURTHER BY TAKING THE INITIATIVE IN RAISING WAGES TO OFFSET INFLATIONARY PRESSURES. CARDENAL PRADO, A ROAD CONSTRUCTION COMPANY, DECLARED A 20 PERCENT INCREASE; AND TWO PHARMACEUTICAL FIRMS GAVE SIMILAR RAISES. IN ADDITION, THE CONSTRUCTION CHAMBER AND SCAAS, THE CONSTRUCTION WORKERS UNION, HAVE

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PAGE 03 MANAGU 03469 02 OF 02 181747Z

IMPLEMENTED AN UNPRECEDENTED PROCEDURE FOR REGULAR LABOR-MANAGEMENT CONSULTATION ON POTENTIAL PROBLEMS. A PERMANENT COORDINATING COMMISSION PROVIDED FOR IN THE CONTRACT ENDING THE RECENT STRIKE MET FOR THE FIRST TIME ON AUGUST 11.

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## Message Attributes

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